

MEETING 553 - December 30, 1943

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Order M-363 - Carbon Tetrachloride  
Revocation of Order M-41 - Chlorinated Hydrocarbon Solvents

Industry Division: Chemicals Division

The proposed new Order M-363 controls the delivery and use of carbon tetrachloride by allocation; contains a small order (700 pounds per month) exemption; and requires an end use certification and a "one time" base period and inventory report.

This Order will take the place of Order M-41, the revocation of which is accordingly proposed.

Mr. Glenn stated that Order M-41 has not fulfilled the purpose for which it was designed, namely, to direct the products covered to essential users, and the ratings assigned under it are too low to be effective. In addition to Order M-363, it is intended that other allocation Orders covering trichlorethylene, perchlorethylene, and ethylene dichloride will be issued as soon as possible.

Describing the urgent need for the Order, Mr. Lucey stated that future additional heavy demands for carbon tetrachloride are expected, and presented data indicating that the expected annual production will be 14,000 tons less than demand, exclusive of 30,000 tons that the Office of Civilian Requirements believes should be available for civilian use. The heavy demand precludes the possibility of stockpiling and, furthermore, storage capacity of producers' tanks is limited, amounting to, at the most, one week's supply. Five companies produce carbon tetrachloride in seven plants in the United States. From a post-war standpoint, production facilities are over built; consequently, there is a natural reluctance to expand further in spite of the present acute shortage. The only expansion proposed

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At this time is the Dow Chemical Company project No. 116483 with capacity of 7,800 tons annually (included in the expected supply, above), but the certificate of necessity has not as yet been issued.

Under Order M-41 it is only possible to ascertain end uses indirectly through producers and distributors; but through allocations and from reports required under the proposed Order, it will be possible to determine whether supplies are being diverted into improper channels and the extent to which demand must be reduced.

In reply to Mr. Jackson's inquiries, Mr. Lucey stated that the number of uses for carbon tetrachloride is not known but there are approximately 6 direct and indirect military uses. The Order provides for three classes of customers: (1) those ordering more than 7,000 pounds during any month, whose names will be known since the deliveries must be individually authorized; (2) those ordering between 700 and 7,000 pounds per month, whose names will not be known but the end use will be indicated on the customers' certificates; and (3) those ordering less than 700 pounds per month. The uses that will be made of the product by the small order group will not be known but suppliers will be allocated in a lump sum for small order delivery so that a close control can be maintained.

Mr. Glenn did not favor the insertion of a restriction on inventories. He doubted the effectiveness of such provisions; furthermore, the one-time report will disclose large inventories at the outset, and future inventories can be controlled through allocations. Order M-41 can be revoked before issuance of the other allocation Orders, mentioned above, since the use of priority ratings can control distribution temporarily. In addition, Direction 5 to Priorities Regulation 3 assigns higher ratings than the Order and thereby renders it obsolete.

The proposed Order and revocation were taken under advisement by the Chairman.